

TeraPlast (TRP)

Hold

Interim Update – Q1 2025 results

Target price: 0,46 RON (+8,6%)

Company key elements

- TeraPlast has returned to profitability in the first quarter of 2025. The Group reported revenues of RON 249 million, up 41% y/y, an operating profit of RON 6.6 million (a 177% increase), and a net profit of RON 1.2 million, compared to a net loss of RON 2.5 million in Q1 2024. This performance reflects a combination of factors: the successful integration of recent acquisitions, improved operational efficiency, and an expanded presence in external markets. Since the release of the financial results, the company's share price has increased by over 20%.
- Operating expenses increased by 40% in Q1 2025, leading to an operating margin of 2.7%, compared to 1.4% in Q1 2024. Employee benefit expenses rose by 44% year-over-year, driven by an increase in headcount following the integration of the Wolfgang Freiler Group (+131 employees) and Optiplast (+89 employees), as well as by higher salary levels. Expenses for raw materials, consumables, and merchandise reached RON 158.4 million, up from RON 112.6 million in Q1 2024, reflecting both higher production volumes and the impact of raw material prices.
- Regarding business line performance, the strongest revenue growth was recorded in the Installations segment (+46% y/y) and the Packaging segment (+45% y/y). The performance of the Installations segment was supported by solid demand in public infrastructure projects and the expansion of operations in Hungary through the Wolfgang Freiler Group. EBITDA for the segment increased by 51%, while net profit doubled. In the Packaging segment, the consolidation of Optiplast and internal efficiency measures led to a positive EBITDA, although the net result remained negative. The Compounds segment continued to benefit from strong export demand, recording a 21% increase in turnover. In contrast, the Windows segment was impacted by seasonality and cost pressures, resulting in a negative EBITDA of RON 7 thousand.
- As a result, **we maintain our target price of RON 0.46 per share, 8.6% above the closing price on July 3, 2025.**
- Potential risks to our recommendation include volatility in raw materials prices, delays in infrastructure projects, weakened demand in European markets, rising operating and financing costs, and potential changes in tax policies.

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Shares information

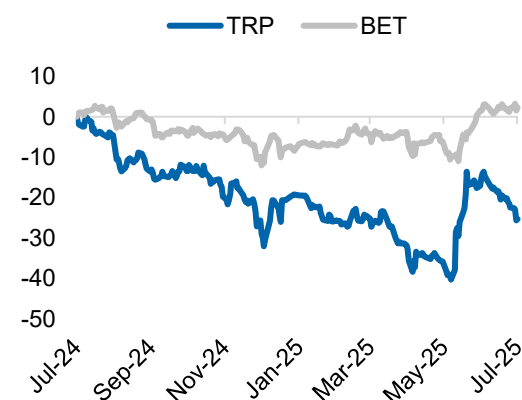
Min/max price, 52 weeks	0.33 – 0.57
Total shares (mil.)	2.401.2
Market cap. (mil. RON)	1,016.9
52 weeks liquidity (mil. RON)	92.0

Shareholders

	%
Goia Dorel	46,8302
NN Pension Fund	12,0162
Others	41,1536

1-year performance

	%
TRP	-23.70
vs. BET Index	1.48



source: Bloomberg, BVB

Q1 2025 Financial Results

The TeraPlast Group has returned to profitability, recording double-digit revenue growth. This positive performance is the result of a combination of factors: the integration of recent acquisitions, improved operational efficiency, and the strengthening of its presence in external markets.

Sales increased by 41%, reaching RON 249.2 million in Q1 2025, compared to RON 176.8 million in Q1 2024. This growth was driven by a 25% increase in volumes sold and the expansion of operations in foreign markets, where sales tripled and accounted for 38% of total revenue. Quantitative sales rose from over 23,000 tons in Q1 2024 to nearly 30,000 tons in Q1 2025.

Exports accounted for 38% of consolidated revenue, up from 17% in Q1/2024, on the back of the Group's geographical expansion.

Operating expenses rose by 40%, resulting in an operating profit of RON 6.6 million, a 177% increase compared to Q1 2024. Employee benefit expenses grew by 44% year-over-year, driven by the rise in headcount following recent acquisitions (+131 employees from the Wolfgang Freiler Group and +89 from Optiplast), as well as higher salary levels. Expenses for raw materials, consumables, and merchandise rose to RON 158.4 million, up from RON 112.6 million in Q1 2024, reflecting both increased production volumes and the impact of raw material price fluctuations.

(RON '000)	Q1 2025	Q1 2024	var
Revenue	249.223	176.841	41%
COGS	-165.956	-118.530	40%
Gross Profit	83.267	58.311	43%
Salary expenses	-37.104	-25.842	44%
General & admin. expenses	-35.415	-27.387	29%
Amortization and depreciation	-16.296	-10.913	49%
Other income / (expenditure)	12.194	8.232	48%
EBIT	6.646	2.401	177%
Financial income net	-4.275	-3.453	24%
Gross Profit	2.371	-1.052	325%
Income tax	-1.175	-1.474	-20%
Net result	1.196	-2.526	147%

source: TeraPlast

The Installations segment recorded a significant increase in revenue, rising from RON 121.9 million in Q1 2024 to RON 178.6 million in Q1 2025—an advance of over 46%. This strong performance was supported by robust demand in the domestic market, particularly from infrastructure projects funded through the PNRR and Anghel Saligny programs, as well as by export growth, driven by the consolidation of the Wolfgang Freiler Group and the start of production at the plant in Hungary. EBITDA increased from RON 12 million to RON 18.1 million, with the

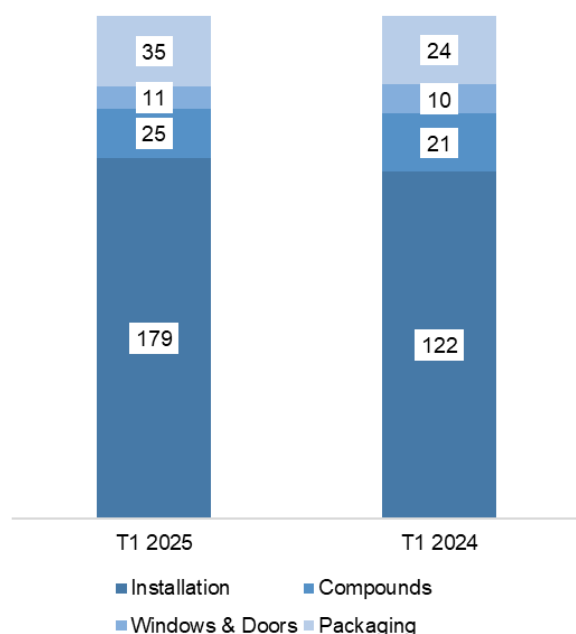
EBITDA margin improving from 9.8% to 10.2%, while net profit doubled to RON 5.4 million.

The Compounds segment continued its positive trajectory, with sales increasing from RON 20.5 million to RON 24.9 million, driven primarily by expansion in foreign markets. Export growth was the main contributor to this performance, while domestic demand remained stable. EBITDA rose slightly from RON 2.3 million in Q1 2024 to RON 2.7 million in Q1 2025, maintaining a strong margin of 10.8%. Net profit also improved, reaching RON 1.27 million.

In the Packaging segment, revenue increased by 45%, from RON 24 million in Q1 2024 to RON 34.8 million in Q1 2025, primarily due to the consolidation of Optiplast. Despite continued volatility in the packaging market and pressure from raw material prices, efficiency measures implemented at TeraBio Pack and Opal enabled a return to positive EBITDA. The segment's EBITDA improved from a loss of RON 2.8 million in Q1 2024 to a positive RON 197 thousand in Q1 2025. However, the segment still recorded a net loss of RON 4.9 million.

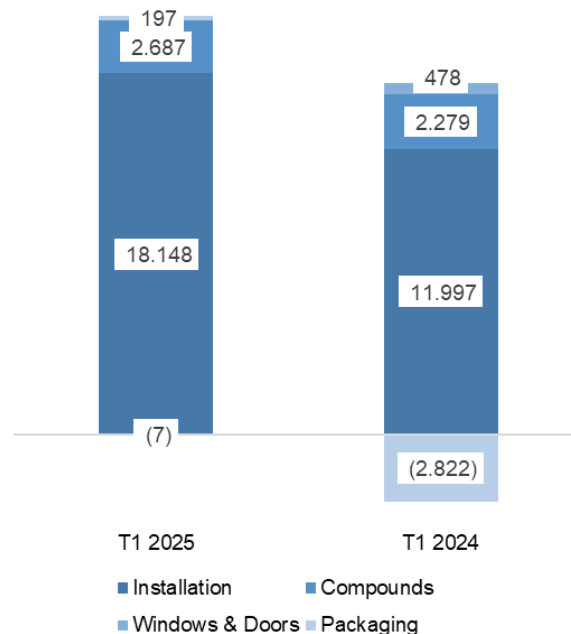
The Windows segment had a less favorable performance in Q1 2025, impacted by typical seasonality at the start of the year, rising raw material costs, and pricing pressure on finished products. Turnover increased slightly, from RON 10.4 million in Q1 2024 to RON 10.96 million, but the profit margin deteriorated. EBITDA turned negative, reaching RON -7,000, compared to RON +478,000 in the same period last year. The segment reported a net loss of RON 570,000.

Revenue trend by business line (mil. RON)



source: TeraPlast

EBITDA by segment ('000 RON)



source: TeraPlast

DCF valuation

We value the company at 0.46 RON/share, implying an 8,6% upside from the current market price. We use a weighted average cost of capital of 10.6%, where we estimate the cost of equity at 14,7% and the cost of debt at 6,2%.

Other assumptions in our model include:

- BETA of 0,9, based on comparable companies;
- Market risk premium of 8%, estimated using the long-term yield of the BET index and the yield on a 10-year Romanian government bond yield;
- Terminal value estimated using a 4% growth rate and the weighted cost of capital.

<i>RON '000</i>	31-Dec-25e	31-Dec-26e	31-Dec-27e	31-Dec-28e	31-Dec-29e	31-Dec-30e
Revenues	1.005.891	1.169.397	1.321.341	1.492.647	1.673.322	1.878.669
% growth	12,0%	16,3%	13,0%	13,0%	12,1%	12,3%
EBITDA adj.	75.733	91.301	111.159	141.619	166.426	204.860
EBITDA M	7,5%	7,8%	8,4%	9,5%	9,9%	10,9%
EBIT	37.509	56.219	71.519	104.303	141.326	186.073
EBIT M	3,7%	4,8%	5,4%	7,0%	8,4%	9,9%
EBIT*(1- Tax Rate)	33.758	50.597	64.367	93.872	127.194	167.466
D&A	55.324	58.470	66.067	67.169	58.566	56.360
WCC	-10.059	-11.694	-13.213	-14.926	-16.733	-18.787
CAPEX	-64.377	-58.470	-52.854	-52.243	-58.566	-75.147
FCFF	14.646	38.903	64.367	93.872	110.461	129.892
discount factor	0,90	0,82	0,74	0,67	0,60	0,55
NPV FCFF	13.239	31.789	47.545	62.680	66.673	70.872
PV FCFF	292.798					
PV Terminal Value	1.152.842					
Terminal growth rate	4%					
Company value	1.445.641					
Net Debt	306.844					
Minorities	34.025					
Company value	1.104.772					
No. Shares	2.401.200					
Price/share (RON)	0,46					
Market price (RON)	0,42					
Upside/Downside	8,6%					

source: own estimates

Financial statements and estimates

(RON '000)	2024	2025e	2026e	2027e	2028e	2029e	2030e
Revenue	897.896	1.005.891	1.169.397	1.321.341	1.492.647	1.673.322	1.878.669
COGS	-583.566	-633.711	-760.108	-858.872	-970.221	-1.087.659	-1.202.348
Gross Profit	314.330	372.180	409.289	462.469	522.427	585.663	676.321
Salary expenses	-129.967	-145.563	-160.120	-172.929	-186.764	-201.705	-217.841
General & admin. Expenses	-145.749	-150.884	-157.869	-178.381	-194.044	-217.532	-253.620
EBITDA adj.	38.614	75.733	91.301	111.159	141.619	166.426	204.860
Amortization and depreciation	-55.560	-55.324	-58.470	-66.067	-67.169	-58.566	-56.360
Other income / (expenditure)	17.850	17.100	23.388	26.427	29.853	33.466	37.573
EBIT	904	37.509	56.219	71.519	104.303	141.326	186.073
Financial result	-15.737	-20.118	-23.388	-26.427	-22.390	-25.100	-28.180
Gross Profit	-14.833	17.391	32.831	45.092	81.913	116.228	157.895
Income tax	-4.645	-10.830	-9.346	-11.179	-17.584	-23.616	-30.899
Net profit	-19.478	6.561	23.485	33.913	64.329	92.611	126.996

source: TeraPlast, BRK estimates

Ratios	2024	2025e	2026e	2027e	2028e	2029e	2030e
GPM	35,0%	37,0%	35,0%	35,0%	35,0%	35,0%	36,0%
EBITDA M adj.	4,3%	7,5%	7,8%	8,4%	9,5%	9,9%	10,9%
EBIT M	0,1%	3,7%	4,8%	5,4%	7,0%	8,4%	9,9%
NPM	-2,2%	0,7%	2,0%	2,6%	4,3%	5,5%	6,8%

source: TeraPlast, BRK estimates

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Company	Symbol	Explanatory note No.
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